

# Companies devote more money to publications than ever before

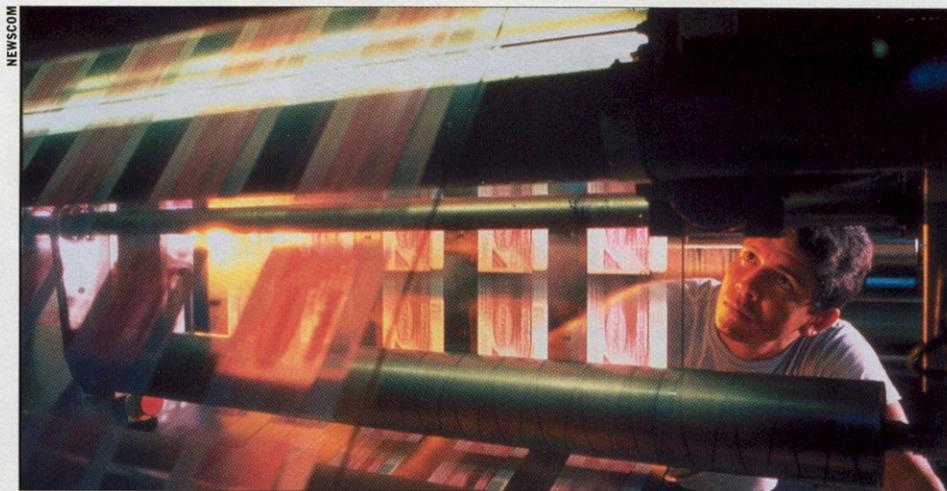
By Craig McGuire

**PHOENIX:** Companies are handing their communications pros more money than ever before to produce custom publications, according to a recent survey conducted by *Publications Management (PM)*.

The study found that the average corporate communications department receives \$524,000 for publications and that the average publishing budget for all departments combined now exceeds \$780,000. Pros at 75 companies—61% with revenues of more than \$1 billion—responded to the survey.

“We were aware of this burgeoning market but didn’t anticipate the spending would be so aggressive,” said Chris McMurry, CEO of McMurry Publishing, *PM*’s parent.

The survey showed that the average cost per piece is \$1.31, with a pagination of 17.2 pages and circulation of 26,218 people. Forty-one percent of the cost is for personnel, 43% is spent on production and 16% on distribution. The vast majority of publishing budgets are allocated to



**No stopping the presses...** the trend should continue, as 36% of publications budgets will increase in 2001

print (81%) rather than electronic (19%) publications.

Still, many pros believe the electronic format could revolutionize corporate publications.

“We’re not spending more—we’re just being more creative in how we deliver the message,” said Quaker Oats VP of IR Margaret Eichman, who said that the Internet has

enabled her to improve quality while reducing costs. “Our electronic newsletter comes out at noon each day and costs nothing for distribution and production.”

Others, like Ethan Hirsh, VP of corporate communications at Kansas City, MO-based energy giant UtiliCorp, prefer more of a mixed-bag approach.

“We produce an inexpensive in-house weekly paper and supplement it twice weekly with an e-mail pub and a monthly eight-page paper,” he said. “The content has to be current. You don’t want your employees reading company news in the morning paper.”

Debra Murphey, editor and publisher of *PM*, said many

companies now hire professional journalists to produce content for corporate publications. “It’s no longer just about corporate messages,” she explained. “They are using journalists, freelancers and custom publishing firms to gain editorial and design expertise.”

She added that the trend toward devoting more money to corporate publications is not likely to end any time soon: the survey found that 36% of corporate publishing budgets are expected to increase next year by an average of 6.5%, while only 12% of companies plan to decrease budgets.

Comparatively speaking, the survey does not reflect the costs of producing an annual report. Sid Cato, publisher of the *Newsletter on Annual Reports*, said early results of his annual poll indicate that, on average, companies are producing 234,113 reports a year. “At the per-copy rate of \$4.08, that means the average annual-report budget is around \$955,181,” said Cato.

For more information on the survey, visit [www.mcmurry.com](http://www.mcmurry.com).